

## TORONTO STOCK EXCHANGE

LISTING STATEMENT

JUN 12 1953

**BRILUND MINES LIMITED**

(No Personal Liability)

Incorporated under The Ontario Companies Act, (Part XI,) by Letters Patent dated May 27th, 1952

1. Address of the Company's Head Office and of any other offices:  
Suite 414, 137 Wellington Street West, Toronto, Ontario.

## 2. Officers of the Company:

OFFICE HELD	NAME	ADDRESS	OCCUPATION
President	Gerald Marshall Ferguson	82 Valecrest Drive, Toronto 18, Ontario	Solicitor
Vice-President	Benjamin Smith	10 Browside Avenue, Toronto 12, Ontario	Vice-President of Model Hosiery Mills Limited
Secretary-Treasurer	Arthur Bertram Lockley	6 Dunedin Drive, Toronto 18, Ontario	Chemical Engineer

## 3. Directors of the Company:

NAME	ADDRESS	OCCUPATION
Gerald Marshall Ferguson	82 Valecrest Drive, Toronto 18, Ontario	Solicitor
Arthur Bertram Lockley	6 Dunedin Drive, Toronto 18, Ontario	Chemical Engineer
Harry Smith	124 Wembley Road, Toronto 10, Ontario	Director of Prince George Hotel, Toronto, Ontario
Benjamin Smith	10 Browside Avenue, Toronto 12, Ontario	Vice-President of Model Hosiery Mills Limited
Robert Henry Amell	7 Ormsby Crescent, Toronto, Ontario	Manufacturer and Distributor

## 4. Names and addresses of all transfer agents:

Guaranty Trust Company of Canada, 70 Richmond Street West, Toronto, Ontario.

## 5. Particulars of any fee charged upon transfer other than customary government taxes:

A fee of 25c per certificate.

## 6. Names and addresses of all registrars:

Guaranty Trust Company of Canada, 70 Richmond Street West, Toronto, Ontario.

## 7. Amount of authorized capital: \$4,000,000.

## 8. Number of shares and par value: 4,000,000 shares, each of the par value of \$1.00.

## 9. Full details of all shares issued in payment for properties or for any other assets other than cash:

Date	No. of Shares	Consideration
June 6, 1952.....	800,000	The said shares were allotted and issued for purchase of— eighteen unpatented mining claims situated in the south-east corner of Vermilion Township and the south-west corner of Jordan Town- ship, in the Province of Ontario.

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Total..... 800,000

This listing statement is a copy of the listing application made by the applicant company. The Exchange has received no consideration in connection with the issue of this listing statement other than the customary listing fee. The papers and exhibits submitted by the applicant company in support of the listing application are open for inspection at the general office of the Exchange.



10. Full details of all shares sold for cash.	<b>Date</b>	<b>No. of Shares</b>	<b>Price Per Share</b>	<b>Amount Realized by Company</b>
	May, 1952	5	\$1.00	\$ 5.00
	June, 1952	100,000	.10	10,000.00
	July, 1952	100,000	.10	10,000.00
	Sept., 1952	200,000	.15	30,000.00
	Oct., 1952	200,000	.17½	35,000.00
	Dec., 1952	500,000	.20	100,000.00
	Dec., 1952	100,000	.50	50,000.00
	April, 1953	200,000	1.30	260,000.00
	Total.....	1,400,005		\$ 495,005.00
11. Total number of shares issued.	2,200,005.			
12. Number of shares now in treasury or otherwise unissued.	1,799,995.			
13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes.	None.			
14. Date of last annual meeting.	None yet held.			
15. Date of last report to shareholders.	None sent.			
16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.	<p>By agreement dated April 29th, 1953, Wylden Investments Limited underwrote 200,000 shares at \$1.30 a share and secured options on 800,000 shares at prices ranging from \$1.60 to \$2.35 a share. The underwritten shares have been taken up, as set out in item 10 above, and the options remaining outstanding are as follows;</p> <p>200,000 shares at \$1.60 a share until July 31st, 1953.  200,000 shares at \$1.85 a share until Oct. 30th, 1953.  200,000 shares at \$2.10 a share until Jan. 31st, 1954.  200,000 shares at \$2.35 a share until April 30th, 1954.</p>			
17. Details of any shares pooled, deposited in escrow, non-transferable or held under any syndicate agreement or control.	<p>720,000 shares, part of the stock issued in payment for properties as set out in Item 9 are held in trust by Guaranty Trust Company of Canada, at Toronto, Ontario, subject to release, pledge, transfer or other dealing only with the consent of the Company and the Ontario Securities Commission.</p>			
18. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.	<p>Shares of the Company are in course of primary distribution under the provisions of The Securities Act (Ontario), the last complete filing having been accepted by the Commission April 13th, 1953.</p>			
19. Has any application for registration with, or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled or revoked? If so, give particulars.	No.			
20. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	No bonds or debentures outstanding.			



21. Enumerate fully, giving claim or property numbers, approximate acreage, townships and mining camp or oil field:

- (a) Properties owned where titles vested in Company.
- (b) Properties leased.
- (c) Properties otherwise held.

Give particulars of title held by the Company in each instance, (e.g. patented, unpatented, Crown granted, held under mining license, perpetual lease, etc.)

(a) The Company is holder of 18 unpatented mining claims: viz—  
PA10474, 10475, 10477,  
10478, 10481, and 10482,  
situated in the south east corner of Vermilion Township, and—  
PA10476, 10479, 10480,  
10483, 10484, 10485,  
10486, 10487, 10488,  
10489, 10490, and 10491  
in the south-west corner of Jordan Township. This group of claims is contiguous and is all located in the Patricia Mining Division, District of Kenora, in the Province of Ontario. The said mining claims are valid and in good standing.

(b) No properties are held by the Company under lease.

(c) The Company owns 1,600,000 shares, being all the issued and outstanding shares of Cuban Canadian Mining and Smelting Corporation, a Company incorporated under the laws of Cuba under a Constitution dated December 30th, 1952, which wholly owned subsidiary, holds the following properties.

(i) The said Cuban Canadian Mining and Smelting Corporation, herein sometimes called "the subsidiary" or "subsidiary Company," has acquired a manganese prospect under purchase and transfer of the full title in and to denunciations named Canadian I and II, and in the municipal district of Jiguani, suburb of Los Negros. The said property has been acquired by the subsidiary for exploitation and exploration of manganese ore and other metals and comprises some 750 hectares in the Los Negros section in the Province of Oriente, Cuba.

(ii) The said subsidiary Company has also acquired long term leases covering properties with chrome prospects in Cuba and identified as follows:

Chrome	Hectares
Estrella de Sagua.....	12
Esperanza.....	15
Talion.....	17
Desprecio.....	18
Tres Amigos.....	35
La Fe.....	9
El Leon.....	120
Siboney.....	48
Santa Maria.....	25
Marina.....	200
El Pinar.....	100
La Union.....	68
El Delirio.....	42

All the above listed properties are located in the Sagua De Tanamo County, forming three groups, of which the Eastern one is in the District of Cananova, the one in the middle is near Sagua De Tanamo and the Western one is near the known mine La Victoria.

22. Full particulars of any royalties or other charges payable upon production from each individual property.

In all of the said leases covering the chrome prospects it is provided that the lease is for a term of ten years, terminating in 1963, subject to renewal successively once or several times, each time for another period of ten years, on the Company's unilateral accord as long as in its opinion there exists, in the property deposits of chrome ore, or other metals, in sufficient amounts and quality to warrant the continuation of exploitation; as a price for the lease, it is provided in each lease that the Company will pay the Lessor for each British ton—2,240 pounds—of chrome and other metal ore extracted from the surveyed mining area, a royalty of fifty cents of a peso, in the case of such ore, as owing to its low grade quality, would have to undergo concentration to be accepted and sold in the markets, and one dollar official currency for all other ore requiring no concentration or processing before being accepted and sold, no matter what the output may be; it is provided that these prices stipulated for ore that does not require processing will be valid for the first two years of the first principal period only, since during the third and successive years of the principal term, or all and any of its renewals, the Company will pay one dollar and fifty cents for each ton; when the price fluctuations of the American market for Cuban chrome will show a twenty per centum (20%) increase, or decrease, with regard to present prices that have been taken as basic prices for the stipulation of the royalty agreed upon, said royalty will increase, or decrease, in the same proportion but without considering the above mentioned twenty per centum which are taken as a determining factor of the price modification; in addition the Company is required to bear the expense of the payment of any tax required by law pertaining to the use or exploitation of the property covered by the lease respectively; failure to pay three consecutive monthly quotas of the royalties stipulated (i.e., monthly amount of one hundred dollars (\$100.00) as money advanced on the royalty stipulated) will entitle the Lessor to rescind the present lease and take legal action; the Company is granted in each lease, a term of one hundred and twenty days following February 12th, 1953, for the purpose of carrying out geological examination, prospecting and exploration of the property covered by the lease respectively and according to the results obtained, the rights of renouncing the lease.

NOTE: "fifty cents of a peso", equals fifty cents U.S.  
"one dollar official currency", refers to Cuban currency and is equivalent to one dollar U.S.

23. Are any lawsuits pending against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so, explain fully.

Nothing to our knowledge will adversely affect the Company's title to the claims or properties referred to in Item 21.

24. Describe plant and equipment on property.

There is no plant or equipment on the property of the Company.

In the current exploration plans of the subsidiary Company, one diamond drill has been obtained locally and this machine is being placed on the manganese claims. Another two drills have been purchased and will be used to explore the chromium groups in Cuba.



25. Describe development accomplished and planned.	<p>In respect of the manganese prospects of the subsidiary in Cuba, there has been no development work, i.e., pits and trenches show mineral occurrences at three locations along approximately 3,000 feet, and as stated in Mr. C. L. Hershman's report, as Engineer for the Company, results of work to date are encouraging and justify continued exploration by either test pits or diamond drilling.</p> <p>In respect of the chromium prospects of the subsidiary in Cuba, the Company's holdings have been prospected by test pits and trenches, and as Mr. C. L. Hershman reports, showings of interest have been exposed in practically all openings; following the engineer's recommendations, systematic prospecting and exploration work on these chrome properties is currently proceeding.</p>
26. Date and author of mining engineer's or petroleum geologist's report filed with this application and available for inspection on request.	Two reports dated February 20th, 1953, of Charles L. Hershman relating respectively to the chrome and the manganese prospects in the properties of the Subsidiary, Cuban Canadian Mining and Smelting Corporation. Report dated May 30th, 1952, of S. L. MacDonald relating to the said Mining claims of Brilund Mines Limited (No Personal Liability) in Ontario.
27. Full particulars of production to date.	None.
28. Have any dividends been paid? If so, give dates, per share rate, and amount paid in dollars on each distribution.	No.
29. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.	Gerald M. Ferguson, 2 Willingdon Boulevard, Toronto, 18, Ontario.
30. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars.	No.
(b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars.	No.
(c) Has the listing of any shares of the Company ever been refused or deferred on any stock exchange? If so, give particulars.	No.
31. Particulars of the principal business in which each director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.	<p>GERALD MARSHALL FERGUSON—A Solicitor carrying on the practice of law in the City of Toronto, having formerly been a member of the firm of McCarthy &amp; McCarthy, Solicitors, Toronto, for 15 years when subsequently in March, 1952, he established his own firm under the name of Ferguson &amp; Martin, Solicitors, Toronto.</p> <p>ARTHUR BERTRAM LOCKLEY—Engineer, in the employ of Disher Steel Construction Co. Limited, and is presently Director and Secretary-Treasurer of that Company.</p> <p>HARRY SMITH—A Director of the Prince George Hotel, Toronto, Model Hosiery Mills, Model Knitting Mills, and Model Properties Limited.</p> <p>BEN SMITH—Vice-President and General Manager of Model Hosiery Mills Limited, a Director of Model Knitting Mills, Model Properties Limited and of the Prince George Hotel, Toronto.</p> <p>ROBERT HENRY AMELL—Manufacturer and distributor and for the past several years he has been president of Robert Amell Co., Ltd., and of Melco Pearls Ltd.</p>

Dated at Toronto the 29th day of April, 1953.



BRILUND MINES LIMITED (No Personal Liability)

"G. MARSHALL FERGUSON", *President*

"A. B. LOCKLEY", *Secretary*



# ENGINEER'S REPORTS

## REPORT ON THE MANGANESE PROPERTIES LOCATED AT LOS NEGROS, CUBA

### Conclusions:

Based on the following data the conclusions reached as the result of my examination of the Company's property February 3rd to 6th, 1953, are:—

(a) Geological conditions are favourable for the repetition of ore body occurrences comparable with those being mined at the Chocoa Rodondo Mine in this area.

(b) The concentration of mineralization on the limestone-tuff contact is evidenced in the pits and trenches. The showings exposed predicate continuity at the favourable horizons, i.e., limestone-tuff contacts.

(c) The limited amount of work, i.e., pits and trenches show mineral occurrences at three (3) locations along approximately 3,000 feet.

(d) Results of work to date are encouraging and justify continued exploration by either test pits or diamond drilling.

(e) Exploration and geological evidence, i.e., limestone-tuff beds, faults and fractures, within the area are indicative of possible ore zones having a range (lengths) and grade of Chocoa Rodondo.

(f) The large area controlled by the Company denouncements No. 11329 and No. 11330, Canada No. 1 and Canada No. 2 are contiguous. Area 860 hectares. (2090 Acres).

(g) The ore treatment does not present any metallurgical difficulties. Gravity concentration would be the milling method with a maximum recovery of 75%.

(h) Climatic conditions should prove no handicap. The fall and winter months are comparatively mild, summers are hot and humid. Labour is plentiful and moderately efficient.

(i) At the present stage of development the results are encouraging.

I consider the possibility of developing a series of small mines or a large ore body in the section favourably.

"CHAS. HERSHMAN"

### Location & Accessibility:

The property is located in the Los Negros section in the Province of Oriente.

Los Negros is 8 miles south of Barie, a station on the Cuban National Railway. The main highway Havana-Santiago de Cuba also passes through this town. Barie is about 60 miles north-west of the City of Santiago de Cuba.

Transportation conditions are good.

Adjoining properties are Progreso, Yeya Gaicita, Manaca and Flora.

### Holdings:

The Cuban Canadian Mining & Smelting Corporation holds by denouncements parcels No. 11329 and No. 11330, known as Canada No. 1 and Canada No. 2. Area 860 hectares. (2090 Acres).

### Geology & Ore Deposits

The properties lie in the eastern section of the manganese producing belt 15 miles long, including the Chocoa Rodondo, Guisa and Los Negros Areas.

The topography is generally rolling hills with local rugged sections. Wide valleys cover the greater area of the district.

The principal formations are limestone and tuff beds.

Dioritic intrusives outcrop near the Town of Los Negros and other places in the district.

The Limestones are dense, grey to cream coloured rocks altered, and in places dolomitic and crystalline, and are from 30 to 300 feet thick.

The volcanic tuff beds are made up principally of andesitic and basaltic particles. Much of the tuff is altered and coloured green to brown.

Faults and folds traverse the area.

The Guisa, Lucia and Gloria anticlines have been identified.

The Coutillo syncline is also shown on the U.S.G.S. geological map.

The supplementary fault zones appear to be correlated with ore deposition.

Lode and alluvial deposits have been worked and both types have been productive (high grade).

There are three types of deposits:

#### 1—TUFF ORES

Manganese irregularly distributed in the beds.

#### 2—LIMESTONE ORES

Ore zone on the limestone tuff contact and extending into the limestone as replacement and fracture and fissure fillings. Zones of brecciation in the limestone with manganese ore as cementing material.

#### 3—FAULT ZONE

Showings in both limestone and tuff beds.

### Ore Minerals:

Ore as mined and in place is generally massive psilomelane and pyrolusite.

The gouge minerals are black calcite, silica, (jasper) and various alteration products.

### Ore Deposit Notes:

Pits and trenches examined on the Company's properties show:

1—Breccia ore.

2—Hard Manganese (high grade).

3—Soft Manganese oxides.

All trenches and pits inspected were on Canada No. 2 and varied in depth from 4 to 36 feet.

The La Gloria showings are approximately 2 miles east of Los Negros.

The Breccia Zone is well defined.

The hard and soft deposits were observed in the La Gloria and the two northerly test pits.

Width of 24 inches were observed in the hard and soft ore and from 3 feet to 6 feet in the Breccia Zones.

All workings were caved.

The dumps contained high grade ore.

### Ore Values & Tonnages:

Assay values presented recorded values of 20% to 60%.

The operating mines ship hand-sorted ore from underground workings with deposits of from 2 to 6 feet in thickness.

Tonnage Estimate on the Company's holdings cannot be made at present.

### Economic Conditions:

Power is not available at Los Negros. Lines could be extended from Chocoa Rodondo, a distance of approximately 8 miles.

Transportation is good. Machinery and supplies can be shipped to Barie via Railway and a good road will shortly be completed from there to Los Negros.

All necessary operating supplies can be purchased at Santiago de Cuba.

Lumber and timber can be had at Barie.

Water could be gotten by obtaining water rights on the streams in the district.

Labour is plentiful.

### Recommendations:

The work done to date shows interesting mineralization and structure, i.e.:

1—Breccia mineralization.

2—Limestone-tuff contact and replacement ore.

The deposits are flat lying.

The factors to be determined are the thickness, extent and grade of the present ore showings.

The occurrences being of the flat lying type, the following work is recommended.

1—A series of shallow drill holes in the pit and trench areas of Canada No. 1 and No. 2.

2—Supplement the above with a series of depth holes, i.e., 200 to 300 feet to prospect the underlying limestone-tuff contacts.

3—Preliminary drilling results being favourable sink a series of shafts to explore underground.



**Costs:**

I was not able to contact the Engineers or Managers of the operating properties in the district. The offices and residences are either in Santiago or other towns in the Province.

I am therefore unable to prepare an estimate of costs for the work recommended.  
Based on cost in districts comparable, the following is submitted:

**DIAMOND DRILLING:**

Drilling machine and supplementary equipment including freight, etc.....	\$ 5,000.00
Probable cost per foot drilled \$5.00, 2,000 feet at \$5.00 per foot.....	10,000.00
Transportation, equipment, jeep and truck .....	5,000.00
Buildings, warehouse and living quarters.....	7,500.00
Sundry supplies, etc.....	5,000.00

**SHAFT SINKING and Underground Development is estimated:**

Shaft Sinking \$100.00 per foot, Drifts and Cross-cuts \$30.00, Compressors (portable) hoists, drill machines, tools, head frames, pipe, rail, etc. would approximate per opening.....	\$20,000.00
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Toronto, Ontario,  
February 20th, 1953.

**REPORT ON CHROME PROPERTIES  
LOCATED NEAR SAGUA de TANAMO ORIENTE PROVINCE, CUBA**

**CHROME**

**Location & Accessibility:**

The Sagua de Tanamo Mining District is in the far east portion of the Island of Cuba in Oriente Province.  
It can be reached via boat to the Port of Cayo Mambi which is approximately 7 miles north of the Town of Sagua de Tanamo and by plane from the City of Santiago de Cuba approximately 100 miles south west.  
A clay road extends from the port through Sagua de Tanamo to the Victoria Mine location approximately 12 miles. This road can be used only during the dry season.  
Minor roads and pack horse trails only exist to the various mining locations

**Economic Conditions:**

*Labour* is available in the area:  
Miners—\$2.20 to \$3.00 per day.  
Mechanics, Carpenters, etc.—vary from \$4.00 to \$7.00 per day.  
The sugar plantations and refinery are active for 120 days of the year. After the harvesting season is over labour of all types is plentiful.  
*Fuel and Timber* is available along the coast.  
The Sugar Company, I am told, will co-operate re gasoline, lumber, etc.  
*Transportation* from the Company's claims to the Sugar Company railroad can be corrected as the contour of the area is amenable to road construction.  
Arrangements can be made re railroad hauling from the coast and the Town of Sagua de Tanamo to the property's connecting road.

**Climate:**

Rainy season—November, December and January.  
Some moisture—February, March, April and May.  
Dry—June, July and August.  
Some moisture—September and October.  
*General and Operating* supplies and equipment are usually shipped from Santiago de Cuba and Havana.  
Local hardware and food supply stores in Sagua de Tanamo have a fair supply in stock at all times.  
*Water* at the properties will have to be pumped from wells to be sunk, or water ways storage dams.  
*Power* at present is not available. A local (Sagua de Tanamo) power company supplies the Town with light and minor power requirements  
*Topography*—Locally rugged relief. Section is badly cut up by deep valleys and ravines.

**Property:**

The Company's holdings are divided into three groups:  
EAST GROUP:—Leon and Mariata.  
MIDDLE GROUP:—Talion, Esperanza and Santa Maria.  
N. W. GROUP:—La Esperanza, Union, Milagro, Previsora, La Margarita, Siboney, El Delirio.  
Total area—902 hectares (2192 acres).

**Titles:**

The titles were not investigated.

**History:**

The Sagua de Tanamo District has been prospected in a superficial manner.  
During 1939 between 2,000 and 3,000 tons of 40 to 45% Cr<sub>2</sub>O<sub>3</sub> ore were shipped.  
Since then the Victoria, Tibira, Albertina and Carida Mines have been in intermittent operation.  
Primitive mining methods and inefficient management have retarded the development of the district.  
Present operations, principally the Victoria Mine are wasteful and very elemental.

**Development:**

The Company's holdings have been prospected by test pits and trenches. Showings of interest have been exposed in practically all openings.

**General Geology:**

The Cuban chrome deposits occur in altered rocks generally noted as serpentine. The ore deposits are extremely irregular masses and are thought to be magmatic segregations.  
The serpentine is exposed in the central portions of the anticlinal folds which traverse the district, by the erosion of the original covering sedimentary formations.  
It is the alteration phase of the original intrusive pyroxenite and peridotite masses.  
Dense metamorphic rocks, i.e., lava flows were observed.  
The serpentine classification includes: dunite, peridotite, pyroxenite, anorthosite and troctolite.  
Gabbro, diorite, diabase and porphyries also occur in the area.

**Ore:**

Chromite as primary and secondary deposits.  
1—primary deposits in dunite and other altered formations classified as serpentine.  
2—residual deposits due to decomposition within the area.

**Mineralogy:**

Generally noted as Fe Cr<sub>2</sub>O<sub>4</sub> or Fe Cr<sub>2</sub>O<sub>3</sub>.  
Commercial Grade (FeMg) O (Cr AlFe)<sub>2</sub>O<sub>3</sub>.  
Percentages, chrome % 22.31 to 56.89, Al<sub>2</sub>O<sub>3</sub>—13.77 to 44.73.  
Grade of the spinal crystal determines the concentrating grade possible.  
Cr to Fe ratio varies 1.45 to 3.44.  
In the Sagua de Tanamo field concentrates analysis:  

Cr <sub>2</sub> O <sub>3</sub>	Fe	Cr-Fe
37.88%	10.26%	2.53
55.54%	11.37%	3.34

  
The ore occurs as follows:  
1—Breccia zones (chromite as cementing material.)  
2—Decimated deposits.  
3—Massive chromite.

**Origin:**

Magmatic segregations originally in peridotite and pyroxenite masses.



Reserves:

Surface occurrences and production to date are indicative of the undeveloped Sagua de Tanamo District.  
Outcropping showings are numerous.  
Tonnages cannot be estimated at present.

Recommendations:

At a meeting in Havana the following was outlined to explore the property's possibilities:  
1—Cut trails to all showings.  
2—Clear pits and trenches of caves and other debris.  
3—Continue to either strip and trench or sink test pits on the present ore for extensions.  
4—Sample systematically all ore in place.  
5—Diamond drill the ore zones outlined by the above work to prospect vertical and lateral extent and continuity.

Remarks & Conclusions:

The ore sections exposed and inspected in the test pits and trenches are definitely interesting and justify systematic prospecting and exploration.  
The indicated possibilities are:  
1—A series of small high grade mines.  
2—Deposits with a large tonnage factor and of milling grade.  
The total tonnage recoverable in a series of small operations could be important and operated by:  
(a) leasors on a contract per ton basis at unit prices;  
1—High grade massive ore.  
2—Milling grade ores (20% to 40%).  
(b) as Company operations on a bonus schedule.  
The milling of the breccia and disseminated ore present no metallurgical difficulties—gravity concentration.  
A traverse of the area, i.e., Milargo, Esperanza, Union and La Esperanza claims, chromite float was seen continuously on the trails.  
There appears to be three zones of mineralization which occur across the Company's claims:  
Strike—S 30° E  
Dip—N 55° to 60° E  
1—Victoria Zone (producing).  
2—La Carida Zone (producing).  
3—Milargo Zone.  
The possibility of developing a series of producing workings I consider favourable. The results of the work recommended will determine the extent of operations.

Toronto, Ontario, February 20th, 1953.

Respectfully submitted,  
"CHAS. HERSHMAN"

CERTIFICATE

I, CHARLES LEONARD HERSHMAN, of the City of Toronto, in the County of York, Province of Ontario, hereby certify as follows:  
1. I am a Mining Engineer and reside in the City of Toronto, in the Province of Ontario.  
2. That I graduated from Penn State College in the year 1910 with the degree of Bachelor of Science in Mining and with the Engineer of Mines degree in 1932.  
3. That I have no direct or indirect interest whatsoever in the properties of Cuban Canadian Mining and Smelting Corporation referred to in the accompanying report dated the 20th day of February, 1953, nor have I any direct interest in the securities of Cuban Canadian Mining and Smelting Corporation, nor do I expect to receive any such interest.  
4. That I spent February 2nd to February 6th on the Los Negros, Manganese and February 7th to February 10th, 1953, inclusive, on the Sagua de Tanamo Chrome properties inspecting the Company's holdings.  
Dated at Toronto this 23rd day of February, 1953.

"CHARLES HERSHMAN"

SUPPLEMENTAL REPORT

To President and Director,  
Cuban Canadian Mining & Smelting Corporation,  
c.o. Prince George Hotel,  
Toronto, Canada.

Gentlemen:

The attached memos are to supplement my reports on the Los Negros and Sagua de Tanamo manganese and chrome deposits.  
You will please note that the tonnages and values estimated are based on the minimum expectancy and are determined on the showings observed and the assay results obtained.

"C. L. HERSHMAN."

April 15th, 1953.

SAGUA de TANAMO CHROME DEPOSITS

The showings examined and since extended by stripping, trenching and test pits on the Talion, El Leon and Esperanza claims, can be expected to produce 100,000 tons of chrome ore.  
Widths—Vary from 5 feet to 18 feet.  
Depths—Can be anticipated to range from 30 feet to 100 feet.  
Sampling—Indicates from 28% to 55% Cr<sub>2</sub>O<sub>3</sub> with an average of 40%.  
The finding of additional tonnages within the present working area and the remainder of the property can be expected from the existing showings:  
The tonnage shown 100,000 tons, is probably the minimum expectancy:  
Ore Reserves (indicated)—100,000 tons. Average grade—to be shipped, 40% Cr<sub>2</sub>O<sub>3</sub>. Value at \$37.00 per ton—\$3,700,000.

Cost to Equip and Develop to Production

OPEN PIT MINING:	
Shovels (Bucyrus)—2 at \$40,000.00 .....	\$ 80,000
Bulldozers (Caterpillar)—2 at \$12,000 .....	24,000
Compressors (portable)—2 at \$6,000 .....	12,000
Drill machines, pumps, pipe, rail, timber, tools, etc. ....	50,000
Housing—shops and bunk-houses .....	30,000
Diamond drill machine .....	7,000
Pit preparation (2) .....	30,000
Transport, trucks, cars, etc. ....	40,000
	\$273,000
Working Capital .....	100,000
Total required to and for production .....	\$373,000
OPERATING COSTS (estimated):	
Drilling, blasting, loading and trucking to dock bins .....	\$ 5.00 per ton
Freight Cuban Port to Baltimore, U.S.A. ....	5.00 "
Royalties .....	1.50 "
	\$11.50 per ton
Plant costs .....	\$3.73 per ton
20% for Engineering and Contingencies .....	3.04 "
	6.77 "
	\$18.27 per ton
GROSS VALUE indicated ore on Talion, El Leon and Esperanza:	
Claims—100,000 tons. Average value per ton—\$37.00.	
Total value .....	\$3,700,000
COSTS: Total estimated at \$18.27 per ton .....	1,827,000
Operating Profit .....	1,873,000
Less taxes and general expense.	



## LOS NEGROS MANGANESE DEPOSITS

The La Gloria anticline area *only* is approximately 3,000 feet long and 500 feet wide, with test pits, shafts and trenches showing ore from 2 feet to 6 feet wide.

Area—1,500,000 square feet. Estimating 25% of area ore bearing, 350,000 sq. ft. Average thickness, 3 feet.

Calculated tonnage—42,000 tons.

Indicated *ore reserve*—42,000 tons grade (samples 20% to 60%): average 40%.

Average price (assumed)—\$38.00 per ton. Value indicated (gross)—\$1,560,000.

*Additional tonnages* can be anticipated on the remaining showings on the Company's holdings:

### Cost to Equip and Develop to Production:

Diamond drilling.....	\$ 25,000
Shaft sinking—equipment and underground development.....	96,000
Diamond drill.....	8,000
Shops and housing.....	25,000
Transportation equipment.....	40,000
Stores: Hardware, tools, etc.....	20,000
	<hr/>
Working Capital.....	\$214,000
	60,000
	<hr/>
TOTAL REQUIRED.....	\$274,000

## LOS NEGROS MANGANESE DEPOSITS

### COSTS:

Mining—Transportation to Santiago de Cuba docks.....	\$ 6.85 per ton
Freight—Santiago to Baltimore, U.S.A.....	2.45 “
	<hr/>
	\$ 9.30 “
Equipment cost and 20% for engineering and contingencies.....	8.28 “
	<hr/>
Overall cost per ton. ....	\$17.28 per ton
<i>Value indicated Ore Reserves</i> .....	\$1,596,000
Costs to equip, mine and deliver to Baltimore, U.S.A.....	738,000
	<hr/>
Operating Profit.....	\$ 850,000

Less taxes and general expense.

Mining at the rate of 50 tons per day shipped indicates - 2 years operation.

## REPORT ON VERMILLION TOWNSHIP PROPERTY

### Property:

The property of Brilund Mines Limited comprises 18 unpatented mining claims, viz: PA-10474, 10475, 10477, 10478, 10481 and 10482, situated in the southeast corner of Vermilion Township, and PA-10476, 10479, 10480, 10483, 10484, 10485, 10486, 10487, 10488, 10489, 10490 and 10491, situated in the southwest corner of Jordan Township. This group of claims is contiguous and is all located in the Patricia Mining Division, District of Kenora, in the Province of Ontario.

### Access:

The property is readily reached by means of the Kenora-Sioux Lookout Highway, which passes through the southeast corner of group of claims above referred to.

### Topography:

The area is generally one of low relief although the overburden factor is not believed to be a serious one.

The timber is second growth and believed adequate for all immediate purposes.

In the event diamond drilling should be carried out, sufficient supply of water is available.

### History:

The area has been well known for many years, but, in the main, any discoveries made were confined to the sedimentary belt of rocks adjacent to the shores of Minnitaki Lake.

In the Spring of 1950 the discovery of an important ore occurrence at the property of Newlund Mines Ltd., located in Echo Township, south-west of Brilund Mines Limited, served to draw renewed attention to this area under certain geological conditions which had not been observed previously.

Again, in the fall of 1950, a high grade discovery of gold on Neepawa Island, some 7 miles east of Brilund Mines Limited, again served to establish the entire area as one of importance.

The decline then existing and the unfavourable factors detrimental to the development of gold mines in general prevented a normal development of the area, with the result that properties believed to be underlain by favourable structure have in the main remained unprospected. This group retained by Brilund Mines Limited may be said to fall in such a category.

### General Geology:

The area is underlain by a trough of infolded Keewatin greenstone and sediments, with a northeasterly trend and with an observed width of 15 miles and a length of 50 miles.

Insofar as can be determined from existing Government reports and from discussions with various engineers active in the district, the property of Brilund Mines Limited is underlain by the above general conditions.

The immediate relationship of ore occurrences in the area would seem to be associated with bosses or dykes of grano-diorite and porphyry of Algoman age.

The actual occurrences being in cross fractures existing in the grano-diorites and associated rocks; mineralization being in the main coarse pyrite crystals. Gold is the only mineral of importance so far encountered in the area.

The types of ore occurrences in this rather extensive area are not confined to any one type but can best be listed as follows:

1. Quartz and carbonate fissure-veins and stockworks in lavas, tuffs, agglomerate and intrusive rock types;
2. Cross fractures in lavas, tuffs, agglomerate and intrusive rock types;
3. Silicified shear zones in tuffs and lavas;
4. Brecciated carbonate zones in grano-diorite.

### Recommendations:

The property should be geologically mapped from existing outcrops before suitable locations can be plotted for future diamond drilling and the extent of such a campaign guided by results obtained.

### Conclusions:

The area represented by Brilund Mines Limited may be considered as offering potentially valuable ground which should be properly explored.

The favourable results obtained on the property of Quytta Gold Mines Limited, located on the regional strike west of the property, should serve to confirm the desirable nature of the property of Brilund Mines Limited.

Respectfully submitted,

“S. L. MACDONALD”, B.Sc.

*Mining Engineer.*

145 Yonge Street, Toronto, Ontario, May 30th, 1952.

## CERTIFICATE

I, Stewart Laurence Macdonald, of the City of Toronto, in the Province of Ontario, hereby certify as follows:

1. That I am a Mining Engineer and reside in the City of Toronto in the Province of Ontario.

2. That I graduated from McGill University in the year 1922 with the degree of Bachelor of Science (Mi.).

3. That I have no direct or indirect interest whatsoever in the properties of Brilund Mines Limited referred to in the accompanying report dated the 30th day of May, 1952, nor have I any direct interest in the securities of Brilund Mines Limited, nor do I expect to receive any such interest.

4. That the nature of the terrain and the state of preliminary exploration did not warrant a personal examination of the property at this time, but is based on knowledge obtained from a previous trip to the area and from the following published reports: (a) M. E. Hurst—Ont. Dept. Mines, Vol. XLI, 1932, Part 6: (b) H. C. Horwood—Ont. Dept. Mines, Vol. XLVI, 1937, Part 6: (c) J. Satterly—Ont. Dept. Mines, Vol. L, 1941, Part 2: (d) W. D. Harding—Ont. Dept. Mines, Vol. LIX, 1950, Part 4.

Dated at Toronto this 30th day of May, 1952.

“S. L. MACDONALD.”



**STATEMENT SHOWING NUMBER OF SHAREHOLDERS**  
as of March 31st, 1953

<i>Number</i>				<i>Shares</i>
21	Holders of	1 - 100	shares.....	1,902
150	"	"	101 - 1000 "	97,300
52	"	"	1001 - 2000 "	95,350
20	"	"	2001 - 3000 "	53,700
11	"	"	3001 - 4000 "	41,700
14	"	"	4001 - 5000 "	68,900
40	"	"	5001 - up	1,641,153
308 Stockholders				Total Shares..... 2,000,005

## FINANCIAL STATEMENTS

### SUPPLEMENTAL FINANCIAL INFORMATION

Since March 31st, the date of the Balance Sheet published below, the Company has received the sum of \$260,000 from the sale of an additional 200,000 treasury shares as set out in item 10, on page 2, and its cash position and issued capitalization have been increased accordingly.

### UNAUDITED BALANCE SHEET AT MARCH 31, 1953

#### ASSETS

##### CURRENT:

Cash in Bank.....	\$	121,516.81	
Accounts Receivable.....		30.60	
Loan Receivable-Cuban Canadian Mining and Smelting Corp.....		1,966.40	\$ 123,513.81

##### INVESTMENT:

Cuban Canadian Mining & Smelting Corp. (1,600,000 shares no par value at Cost).....			86,033.60
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##### FIXED:

Mining Claims:			
Eighteen unpatented claims in the Townships of Vermilion and Jordan, Patricia Mining Division, Province of Ontario acquired for 800,000 shares in the company of a par value of \$1.00 each.....		800,000.00	
Camp and Prospecting Equipment.....		706.61	
Development and Other Expenditures (Cost) Expenditures incurred in the period from the inception of the Company on May 27, 1952, to March 31, 1953 (Statement II).....	\$	24,022.40	824,729.01
Organization Expenses.....			1,500.00
			<u>\$ 1,035,776.42</u>

#### LIABILITIES

##### CURRENT:

Outstanding Cheques.....	\$	626.02	
Accounts Payable.....		145.40	771.42

##### CAPITAL STOCK:

###### Authorized:

4,000,000 shares of a par value of \$1.00 each.....	\$	<u>4,000,000.00</u>
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###### Issued:

800,000 shares for mining claims.....		800,000.00	
1,200,005 shares for cash.....	\$	1,200,005.00	
Less discount on shares.....		965,000.00	235,005.00
2,000,005.....			1,035,005.00
			<u>\$ 1,035,776.42</u>

Approved: "G. MARSHALL FERGUSON", *Director*  
"HARRY SMITH," *Director*



**STATEMENT OF DEVELOPMENT AND OTHER EXPENDITURES**  
**FOR THE PERIOD FROM THE INCEPTION OF THE COMPANY ON MAY 27, 1952 to MARCH 31, 1953**

**DEVELOPMENT:**

Wages.....	\$	7,200.69	
Food and Cookery Expenses.....		2,173.90	
Consulting Engineers' Fees and Expenses:			
Townships of Vermilion and Jordan, Patricia Mining Div., Ont.....		1,890.00	
Examination of Cuban Properties.....		2,511.97	
Transportation .....		432.30	
Workmen's Compensation and Unemployment Insurance.....		409.40	
Prospecting Supplies.....		198.16	
Miscellaneous.....		39.02	\$ 14,855.44
Original Claim Expense.....			369.50

**GENERAL AND ADMINISTRATIVE:**

Accounting and Office Expense.....	900.00	
Travelling.....	3,651.05	
Printing and Stationery.....	561.78	
Directors' Fees.....	975.00	
Legal Fees.....	300.00	
Transfer Agent and Registrar.....	299.08	
Taxes and Licenses.....	563.00	
Audit Fees.....	265.00	
Telephone, Telegraph and Postage.....	516.44	
Rent.....	275.00	
Miscellaneous.....	145.04	
Prospectus.....	521.07	
	8,972.46	
Less: Prem. on Foreign Exchange.....	175.00	8,797.46
		<u>\$ 24,022.40</u>

**CUBAN CANADIAN MINING AND SMELTING CORPORATION**  
**BALANCE SHEET AT JANUARY 31, 1953**

**ASSETS**

**CURRENT:**

Cash in Bank.....	\$	47,947.50	
Advance to Cuban Canadian Mining Operative Corporation.....		799.90	48,747.40

**OTHER:**

Mine Concessions and Leases (Cost).....	1,202.60	
General Expense.....	50.00	1,252.60
		<u>\$ 50,000.00</u>

**LIABILITIES**

**CURRENT:**

Loans Payable.....	\$	2,000.00
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**CAPITAL STOCK:**

Authorized:

1,600,000 shares of no par value

Issued:

1,600,000 shares for cash.....	48,000.00
	<u>\$ 50,000.00</u>

Approved: "HARRY SMITH," *Director*  
"BEN SMITH", *Director*

**CERTIFICATE**

We have examined the Balance Sheet of Cuban Canadian Mining and Smelting Corporation as at January 31, 1953, as certified by Menendez Y. Muxo, Public Accountant, Havana, Cuba. We did not perform an audit of the books and we did not examine the minute book. In our opinion, subject to the foregoing comments, the accompanying Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Corporation as at January 31, 1953, according to the best of our information and the explanations given to us.

Toronto, Canada, March 30th, 1953.

J. JOHN SHULMAN & COMPANY,  
Chartered Accountants.







